

**Jefferson Davis Parish
Economic Development Commission**

Jennings, Louisiana

ANNUAL FINANCIAL STATEMENTS

As of and for the year ended December 31, 2011

Jefferson Davis Parish Economic Development Commission
December 31, 2011

Table of Contents

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1
Basic Financial Statements		
Government-Wide Financial Statements		
Statement of Net Assets.....	A	2
Statement of Activities	B	3
Government Funds Financial Statements:		
Balance Sheet – governmental funds.....	C	4
Reconciliation of the governmental fund Balance Sheet to the Government-Wide Statement of Net Assets	D	5
Statement of Revenues, Expenditures, and Changes in Fund Balances – government funds.....	E	6
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of the governmental fund to the Statement of Activities	F	7
Notes to Financial Statements		8-18
Required Supplementary Information		
General Fund:		
Budgetary Comparison Schedule	Schedule 1	19-20
Notes to Budgetary Comparison Schedule		21
Other Reports		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		22-24
Summary of Schedule of Current and Prior Audit Findings.....		25-26

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INDEPENDENT AUDITORS' REPORT

To the Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

We have audited the accompanying financial statements of the Governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Economic Development Commission (the Commission), as of and for the year ended December 31, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Commission's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities of the Jefferson Davis Parish Economic Development Commission as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Jefferson Davis Parish Economic Development Commission has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 08, 2012 on our consideration of the Jefferson Davis Parish Economic Development Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress on pages 19 to 21 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operation, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquired of management about the methods of preparing the information and comparing the information for consistency with managements' responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Edward L Krielow
June 08, 2012

BASIC FINANCIAL STATEMENTS

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

STATEMENT OF NET ASSETS
As of December 31, 2011

ASSETS

Cash and cash equivalents	\$ 64,884
Prepaid Expenses	314
Due from other governmental units	<u>3,201</u>
Total assets	<u>\$ 68,399</u>

LIABILITIES

Current liabilities:

Accounts, salaries and other payables	<u>\$ 1,079</u>
Total liabilities	<u>\$ 1,079</u>

NET ASSETS

Unrestricted	<u>\$ 67,320</u>
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TOTAL NET ASSETS

<u><u>\$ 67,320</u></u>

EXHIBIT A

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2011

	<u>Expenses</u>	<u>Program Revenues Operating Contributions</u>	<u>Net (Expense) Revenue and Change in Net Assets</u>
GOVERNMENTAL ACTIVITIES			
Promotion of Economic Development	\$ 125,987	\$ 105,000	\$ (20,987)
Total Governmental Activities	<u>\$ 125,987</u>	<u>\$ 105,000</u>	<u>\$ (20,987)</u>
GENERAL REVENUES			
Interest Income			\$ 35
Other revenues			3,201
Total General Revenues			<u>\$ 3,236</u>
CHANGE IN NET ASSETS			\$ (17,751)
NET ASSETS, BEGINNING OF YEAR			<u>85,071</u>
NET ASSETS, END OF YEAR			<u>\$ 67,320</u>

EXHIBIT B

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

BALANCE SHEET
Governmental Funds
As of December 31, 2011

	General Fund
ASSETS	
Cash and cash equivalents	\$ 64,884
TOTAL ASSETS	<u>\$ 64,884</u>
LIABILITIES AND EQUITY	
Liabilities:	
Accounts, salaries and other payables	<u>\$ 1,079</u>
FUND EQUITY	
Fund Balance:	
Unassigned	<u>63,805</u>
Total fund balance	<u>\$ 63,805</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 64,884</u>

EXHIBIT C

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

**Reconciliation of the Governmental Fund Balance Sheet
to the Government-Wide Financial Statement of Net Assets**
December 31, 2011

Total Ending Fund Balances-Governmental Funds (Statement C)	\$ 63,805
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Amounts reported for governmental activities in the statement of net
assets are different because:

Other assets used in governmental activities that are not financial
resources and therefore are not reported in the governmental funds:

Prepaid items	314
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Due from other governments accruals	3,201
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Net Assets (Statement A)	<u>\$ 67,320</u>
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EXHIBIT D

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

Governmental Funds

For the Year Ended December 31, 2011

	General Fund
REVENUES	
Program Revenues	
Operating Contributions	\$ 105,000
Interest Income	35
Total Revenues	<u>\$ 105,035</u>
EXPENDITURES	
Salaries	\$ 10,600
Payroll Taxes	993
Management Fees	25,000
Advertising	4,205
Dues & Subscriptions	6,645
Legal & Professional	16,590
Office Expense	10,537
Building Rent	2,600
Telephone	6,125
Miscellaneous	481
Promotion	3,245
Travel	17,071
Accounting Service	11,500
Postage	902
Maintenance & Repair	3,750
Equipment Rentals	1,495
Insurance - General	1,884
Utilities & Internet	2,398
Total Expenditures	<u>\$ 126,021</u>
NET CHANGE IN FUND BALANCE	\$ (20,986)
UNASSIGNED FUND BALANCE - Beginning of Year	<u>84,791</u>
UNASSIGNED FUND BALANCE - End of Year	<u><u>\$ 63,805</u></u>

EXHIBIT E

The accompanying notes are an integral part of the statement

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

**Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balance of the Governmental Fund
to the Government-Wide Statement of Activities
For the Fiscal Year Ended December 31, 2011**

Total Net Change in Fund Balance-Governmental Funds (Statement E) \$ (20,986)

Amounts reported for governmental activities in the statement of activities
are different because:

Governmental funds that are not payable from current resources and
therefore are not reported in the funds:

Prepaid Expenses 34

Due from other governments accruals 3,201

Change in Net Assets of Governmental Activities (Statement B) \$ (17,751)

EXHIBIT F

The accompanying notes are an integral part of the statement

Notes to Financial Statements

Jefferson Davis Parish Economic Development Commission
December 31, 2011

Notes to Financial Statements

1. Organization and Significant Accounting Policies

Introduction

The Jefferson Davis Parish Economic Development Commission (the Commission) was created by the joint action of the City of Jennings, the Town of Welsh, and the Jefferson Davis Parish Tourist Commission pursuant to LSA-RS 33:1329 on January 30, 2007. The joint commission was created to act as an agency and instrumentality of the various public bodies to enhance the ability of the rural communities to develop, grow, and improve the overall quality of life by targeting financial and technical resources to create opportunities. The Commission has authority, within its boundaries, to exercise all powers necessary or convenient for the carrying out of such purposes.

Under the provision of the Louisiana Constitution, Article 6, Sections 20 and 23 and La. R.S. 33:1329 by resolution the Commission shall consist of seven (7) commissioners, serving three year terms. The Commission members are to be appointed by the governing body of their place of residence and shall consist of three (3) residents from the City of Jennings, three (3) representatives appointed by the Jeff Davis Parish Tourist Commission and one (1) resident from the Town of Welsh. No elected officials shall be authorized to serve on the commission.

According to the charter, each member is responsible for contributing an amount equal to the percentage of ownership that the member holds in the commission. The annual proportion of participation shall be as follows.

	<u>Percentage</u>	<u>Not to Exceed</u>
City of Jennings	39.50%	\$ 75,000
Jefferson Davis Parish Tourist Commission	39.50%	75,000
Town of Welsh	21.00%	40,000

Reporting Entity

The financial statements of the Commission consist only of the funds of the Commission. The Commission has no financial accountability for any other governmental entity since no other entities are considered to be component units of the Commission.

GASB Statement No. 14, *The Reporting Entity*, as amended, establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. They include the following:

- (1) Appointing a voting majority of an organization's governing body, and
 - a. the ability of the Commission to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Commission.
- (2) Organizations for which the Commission does not appoint a voting majority but are fiscally dependent on the Commission.
- (3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Notes to Financial Statements

Reporting Entity (continued)

Based on the previous criteria, the Commission has determined that it has no component units.

Basis of Presentation

The accounting and reporting policies of the Jefferson Davis Parish Economic Development Commission conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants; and are also made in accordance with the provisions of *Government Auditing Standards*, promulgated by the United States Comptroller General, as they pertain to financial and compliance audits.

The Commission has adopted the provisions of GASB Statement No. 34 and GASB Statement No. 37. These statements established standards for external financial reporting for all state and governmental entities, which includes a statement of net assets, a statement of revenues, expenses and changes in net assets, and a statement of cash flows. It requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt: This component of net assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. The Commission has no debt attributable to its capital assets.
- Restricted net assets: This component of net assets consists of constraints imposed by creditors (such as through debt covenants), contributors, laws or regulations of other governments, or through constitutional provisions or enabling legislation. The Commission has no restricted net assets.
- Unrestricted net assets: This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Government Wide and Fund Financial Statements

Government-Wide Financial Statements (GWFS)

The Statement of Net Assets and the Statement of Activities display information about the Commission as a whole. These statements include all the financial activities of the Commission. Information contained in these statements reflects the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with requirements of GASB Statement No. 33, "Accounting and Financial Reporting for Nonexchange Transactions."

Notes to Financial Statements

Government Wide and Fund Financial Statements (continued)

Government-Wide Financial Statements (GWFS) (continued)

The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Neither fiduciary funds nor component units that are fiduciary in nature are included in Government-Wide Financial Statements.

The statement of activities presents a comparison between direct expenses and program revenues for the business-type activities of the entity and for each function of the entity's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program.

Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements (FFS)

The accounts are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions.

The minimum number of funds is maintained consistent with legal and managerial requirements.

The various funds of a governmental entity are classified into two categories: governmental and proprietary (enterprise). The emphasis on fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expense of that individual governmental or enterprises fund are at least 10 percent of the corresponding total for all funds of that category or type: and
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are a least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The funds of the *Commission* are described below:

Governmental Funds:

General Fund – The General Fund is the general accounting fund of the Jefferson Davis Economic Development Commission. It accounts for all financial resources, except for those required to be accounted for in other funds.

Notes to Financial Statements

Measurement Focus / Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide statement of net assets and the statement of activities, both governmental and business-type activities are presented using the economic resources measurement focus as defined in item (b) below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a) All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b) The proprietary fund utilizes an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide statement of net assets and statement of activities, both governmental and business-type activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expense, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within 60 days after year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligations bond principal and interest which are reported when due. The proprietary fund utilizes the accrual basis of accounting.

Under the accrual basis of accounting, revenues are recognized when earned and expense are recorded when the liability is incurred or economic asset used.

When both restricted and unrestricted resources are available for use, it is the Commissions policy to use restricted resources first, then unrestricted resources as they are needed.

Notes to Financial Statements

Basis of Accounting (continued)

Revenues –Amounts reported as program revenue include operating contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

When both restricted and unrestricted resources are available for use, it is the entity's policy to use restricted resources first, then unrestricted resources as they are needed.

Budgetary Practices

The Commission has adopted a budget for its general fund.

For the year ended December 31, 2011, the Commission adopted a budget on December 08, 2010 and amended the budget on December 19, 2011. The budgetary practices include notice of the proposed budget, public inspection of the proposed budget and public hearings on the budget prior to adoption on a basis consistent with generally accepted accounting principles (GAAP). Periodic budget comparisons were made during the year and amendments are made when deemed necessary. All budgeted amounts, which are not expended or obligated through contracts, lapse at year end. Formal encumbrance accounting is not utilized by the Commission.

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposit, money market accounts, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Capital Assets

Capital assets, which include building, improvements, furniture and fixtures, and other assets, are to be reported in the governmental columns in the government-wide financial statements. All capital assets are valued at historical cost or if contributed property, at their estimated fair value at the time of contribution. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income. The Jefferson Davis Parish Economic Development Commission maintains a threshold level of \$1,000 or more for individual items and \$2,000 or more for major repairs and improvements for capitalizing capital assets.

Capital outlays are recorded as expenditures of the General Fund, and they are recorded as assets in the government-wide financial statements. Depreciation is recorded on general fixed assets on a government-wide basis.

The Commission has no capital assets recorded as of December 31, 2011.

Notes to Financial Statements

Compensated Absences

Employees accrue vacation leave at the rate of twelve days per year. At the end of the year, any remaining vacation days are cumulated up to 20 days. Employees accrue sick leave at the rate of twelve days per year. Sick leave is cumulative up to a maximum of 130 days. Upon termination of employment, employees are paid any unused vacation leave, but any remaining sick leave is forfeited. During the year there were no full time employees and therefore, at December 31, 2011, the Commission had no accrued vacation leave.

Pension Plan

During the year ending December 31, 2007, it was determined by the Board of Directors the employees would not be eligible as members of the Municipal Employees Retirement System of Louisiana, a statewide retirement system. Therefore, the Commission amended the cooperative endeavor in paragraph 2 and 3 stating the Commission's staff as of January 1, 2008 would become employees of the Jefferson Davis Parish Tourist Commission and therefore eligible for participating in the statewide system.

Management Agreement

During the year ending December 31, 2010, the Board of Directors established a new Cooperative Endeavor Agreement between the Commission and the Jefferson Davis Parish Tourist Commission. It was agreed the Jefferson Davis Parish Tourist Commission would provide all management and jointly provide equipment and services. In turn, the Commission would pay the Jefferson Davis Tourist Commission a management fee of \$6,250 per quarter. For the year ended December 31, 2011, the Commission incurred management fee of \$25,000.

Equity Classifications

Government-Wide Statements – Equity is classified as net assets and displayed in three components:

- a. *Invested in capital assets* – consist of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. *Restricted net assets* – consist of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. *Unrestricted net assets* – all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first, then unrestricted resources as they are needed.

Notes to Financial Statements

Equity Classifications (continued)

Governmental Fund Statements – In the fund financial statements, governmental fund equity is classified as fund balance. The Commission adopted GASB Statement 54 for the year ended December 31, 2011 as such; fund balances of the governmental funds are classified as follows:

Nonspendable fund balance – amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted fund balance – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed fund balance – amounts that can be used for specific purposes determined by a formal action of the Board of Directors. The Board of Directors is the highest level of decision-making authority for the Jefferson Davis Economic Development Commission. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by board members.

Assigned fund balance – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Commission's policy, only board members may assign amounts for specific purposes.

Unassigned fund balance – all other spendable amounts.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Commission considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Commission has provided otherwise in his commitment or assignment actions.

In accordance with GASB Statement 54, beginning fund balance for the governmental funds has been restated as of December 31, 2010

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Date of Management's Review

Subsequent events were evaluated through June 8, 2012, which is the date of the financial statements were available to be issued.

Jefferson Davis Parish Economic Development Commission
December 31, 2011

Notes to Financial Statements

2. Deposits and Investments

A. Deposits:

As of December 31, 2011, the year end balances of deposits are as follows:

<u>Deposit Type</u>	<u>Bank Balances</u>	<u>Reported Amounts</u>
Demand Deposits (First Guaranty Bank)	\$ 8,183	\$ 1,385
Interest bearing demand deposits (First Guaranty Bank)	63,499	63,499
Total	<u>\$ 71,682</u>	<u>\$ 64,884</u>

Under state laws, these deposits (or resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank.

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Commission's deposits may not be returned to it. The Commission's deposit policy for custodial credit risk requires that all uninsured deposits must be secured with acceptable collateral as defined by LRS 38:1221 valued at market. As of December 31, 2011, the Commission had deposits (collected bank balances) totaling \$ 71,682. The federal deposit insurance secures up to \$250,000 of deposits and as of yearend the bank balance of deposits were not exposed to custodial credit risk.

B. Investments:

During the current year ended December 31, 2011, the Commission has no investments.

3. Accounts, Salaries and Other Payables

The accounts, salaries and other payables consisted of the following at December 31, 2011.

Accounts	\$ 1,079
Payroll Taxes	-
Total	<u>\$ 1,079</u>

Jefferson Davis Parish Economic Development Commission
December 31, 2011

Notes to Financial Statements

4. Compensation Paid to Board Members

The Commission paid no compensation to board members for the year ended December 31, 2011.

5. Litigation and Claims

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. No claim expenditures or liabilities are reported in the accompanying financial statements. The Commission is not presently involved in any litigation as defendant.

6. Risk Management

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Commission manages these losses through the purchases of commercial insurance.

7. Related Party Transactions

During the current year ended December 31, 2011, the Commission received funding from the following for their participation:

City of Jennings	\$ 75,000
Town of Welsh	<u>20,000</u>
	\$ 105,000

Beginning January 1, 2008, the Jefferson Davis Parish Tourist Commission pays the salaries and benefits of the Commission's Executive Director and the Assistant Director. Pursuant to the \$75,000 contribution agreement, each year the Commission will either reimburse or collect the difference between the actual salaries and benefits paid on behalf and the \$75,000 agreement. During the year 2009, the Jefferson Davis Parish Tourist Commission paid salaries and benefits on behalf of the Commission of \$95,552 and the Commission reimbursed them \$21,142 as per the agreement.

During the year ending December 31, 2010, the Board of Directors established a new Cooperative Endeavor Agreement between the Commission and the Jefferson Davis Parish Tourist Commission. It was agreed the Jefferson Davis Parish Tourist Commission would provide all management and jointly provide equipment and services as their contribution, without an accounting, and in addition would receive a management fee of \$6,250 per quarter from the Commission.

Jefferson Davis Parish Economic Development Commission
December 31, 2011

Notes to Financial Statements

8. Economic Dependence

The Commission is a joint venture and has economic dependence on all members of the joint venture, including the City of Jennings, Town of Welsh, and the Jefferson Davis Parish Tourism Commission. According to the charter, members will make voluntary contributions not to exceed the following amounts:

	<u>Not to Exceed</u>
City of Jennings	\$ 75,000
Jefferson Davis Parish Tourist Commission	75,000
Town of Welsh	40,000

As stated in Note 7, the Commission entered into a new Endeavor Agreement in 2010 whereby the Jefferson Davis Tourist Commission would provide management services and jointly provide equipment and other services in lieu of their contribution.

9. Leases and Commitments

The Commission has entered into several operating leases and commitments:

<u>Payee</u>	<u>Amount</u>	<u>Terms</u>
Xerox Copier	\$ 4,126 yr	March 15, 2011 – March 15, 2016
SWLA Alliance	\$ 5,000 yr	January 1, 2009 – December 31, 2013
J&J Exterminating	\$ 120 yr	July 1, 2011 – August 31, 2012

Annual commitment:

2012	9,186
2013	9,126
2014	4,126
2015	4,126
2016	<u>1,032</u>
Total	<u>\$ 27,596</u>

10. DUE FROM OTHER GOVERNMENTS

Accounts receivable at year end are as follows:

<u>Class of Receivable</u>	<u>General Fund</u>
Due from other governments	
Jeff Davis Tourist Commission	\$ 3,201
Less allowance for uncollectible	<u>-</u>
	<u>\$ 3,201</u>

Required Supplemental Information

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balances -
BUDGETARY COMPARISON SCHEDULE
General Fund
For the Year Ended December 31, 2011

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
REVENUES				
Program Revenues				
Operating Contributions	\$ 125,000	\$ 110,000	\$ 105,000	\$ (5,000)
Interest Income	500	500	35	(465)
Other Income	0	0	0	0
Total Revenues	<u>\$ 125,500</u>	<u>\$ 110,500</u>	<u>\$ 105,035</u>	<u>\$ (5,465)</u>
EXPENDITURES				
Salaries	\$ 11,000	\$ 11,000	\$ 10,600	\$ (400)
Payroll Taxes	1,000	1,000	993	(7)
Advertising	6,000	6,000	4,205	(1,795)
Dues & Subscriptions	8,000	8,000	6,645	(1,355)
Legal & Professional	19,000	19,000	16,590	(2,410)
Management Fees	25,000	25,000	25,000	0
Office Expense	11,000	11,000	10,537	(463)
Building Rent	6,000	6,000	2,600	(3,400)
Telephone	8,000	8,000	6,125	(1,875)
Miscellaneous	800	800	481	(319)
Promotion	4,000	4,000	3,245	(755)
Travel	15,000	15,000	17,071	2,071
Accounting Service	13,000	13,000	11,500	(1,500)
Postage	1,000	1,000	902	(98)
Maintenance & Repair	1,200	1,200	3,750	2,550
Equipment Rentals	1,700	1,700	1,495	(205)
Insurance - General	2,600	2,600	1,884	(716)
Utilities & Internet	2,000	2,000	2,398	398
Total Expenditures	<u>\$ 136,300</u>	<u>\$ 136,300</u>	<u>\$ 126,021</u>	<u>\$ (10,279)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (10,800)</u>	<u>\$ (25,800)</u>	<u>\$ (20,986)</u>	<u>\$ 4,814</u>
FUND BALANCE - BEGINNING OF YEAR			<u>84,791</u>	
FUND BALANCE - END OF YEAR			<u>\$ 63,805</u>	

SCHEDULE 1

The accompanying notes are an integral part of the statement

Notes to Budgetary Comparison Schedules

1. Basis of Accounting

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Commission. Legally, the Commission must adopt a balanced budget; that is total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Commission to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and /or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more.

2. Explanation of Significant Difference Between Original and Final Budget

Program operating contributions in the original budget was significantly higher than actual amounts received. During the budgeting process, participants were expected to contribute as much as the previous year and it was not discovered until the last quarter that a participant would not be contributing. Although the budget was amended to reflect the shortfall, the actual amounts received were significantly less than the original budget.

*Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an
Audit of Financial Statements Performed in Accordance
With Governmental Auditing Standards*

EDWARD L. KRIELOW

(A PROFESSIONAL ACCOUNTING CORPORATION)

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

To the Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Jefferson Davis Parish Economic Development Commission, as of and for the year ended December 31, 2011, which collectively comprise the Jefferson Davis Parish Economic Development Commission's basic financial statements and have issued our report thereon dated June 08, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Jefferson Davis Parish Economic Development Commission's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Jefferson Davis Parish Economic Development Commission's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards*.

This report is intended solely for the information and use of management, Commission members, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, under the provisions of Louisiana Revised Statutes 24:513 and 44:6, this report is a matter of public record and its distribution is not limited.

Edward L Krielow

Certified Public Accountants

Jennings, Louisiana

June 08, 2012

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

Management's Corrective Action Plan for Current Year Audit Findings
For the Year Ended December 31, 2011

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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NONE

Jefferson Davis Parish Economic Development Commission
Jennings, Louisiana

**Management's Corrective Action Plan for Prior Year Audit Findings
For the Year Ended December 31, 2010**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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NONE